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REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS

Gratis personnel provided by Governments and other entities

Report of the Secretary-General

Addendum

I. INTRODUCTION

1. In his report on gratis personnel provided by Governments and other entities (A/51/688 and Corr.1), the Secretary-General drew the attention of the General Assembly to the current situation with regard to the acceptance of gratis personnel, particularly in terms of issues relating to their status and accountability, their implications for personnel and financial policies and procedures and the impact on the exclusively international character of the responsibilities of the Secretariat. The Secretary-General expressed his appreciation for the generous contributions from Governments of services of personnel but at the same time, given the significant number of gratis personnel provided over the past few years and the inconsistency in the application of rules and procedures for their acceptance, he indicated the need to review the situation and to establish uniform policies to guide the acceptance of such personnel and their utilization and annexed to his report a set of guidelines for the acceptance of gratis personnel.

2. In its decision 51/466 of 3 April 1997, the General Assembly, having reviewed the above-mentioned report of the Secretary-General and the report of the Advisory Committee on Administrative and Budgetary Questions thereon (A/51/813), requested the Secretary-General, inter alia, on an interim basis and pending consideration and final decision on this issue:

- (a) To review the proposed guidelines annexed to his report;



(b) To update the information provided, including data on the nationality of gratis personnel, detailed descriptions of the functions entrusted to them and any change in the use of gratis personnel after 31 October 1996;

(c) To submit a comprehensive report on the methodology and level for the application of administrative support costs mentioned in paragraphs 51 to 66 of his report, including its legislative basis, and in the interim to maintain the status quo in this regard.

3. The present addendum to the Secretary-General's report deals with the methodology used for and the level of the application of administrative support costs. Addenda 2 and 3 address the other two issues.

II. ADMINISTRATIVE SUPPORT COSTS

A. Legislative basis

4. Article 17, paragraph 2, of the Charter of the United Nations states that "The expenses of the Organization shall be borne by the Members as apportioned by the General Assembly". In 1950, in the context of approving the Financial Regulations (General Assembly resolution 456 (V) of 16 November 1950), the Assembly made provision for the acceptance of voluntary contributions. Financial regulation 7.2 reads as follows:

Regulation 7.2: Voluntary contributions, whether or not in cash, may be accepted by the Secretary-General provided that the purposes for which the contributions are made are consistent with the policies, aims and activities of the Organization and provided that the acceptance of such contributions which directly or indirectly involve additional financial liability for the Organization shall require the consent of the appropriate authority.

5. The question of charges from assessed budgets for support of extrabudgetary activities has been a concern of the General Assembly for many years. Pursuant to General Assembly resolution 210 (III), of 18 November 1948, provisions were incorporated into the Financial Rules of the United Nations to establish the basis for extending services and facilities, on a reimbursable basis, to the specialized agencies and other organizations and to activities financed from trust funds. Such services and facilities included purchase and supply, transportation, space and building maintenance services, documents and printing services, translations and interpretations, library and archival services, furniture and equipment, telecommunications and legal and administrative services (personnel, finance, accounts). The question of "overhead" costs emerged during the 1950s in relation to costs incurred from the regular budget in the administration of technical cooperation projects financed by extrabudgetary funds. The extent of those costs and how much should be reimbursed have been the subject of extensive consideration over the years.

6. Following a review in 1955 of the administrative and operational service costs related to technical assistance activities, the Advisory Committee on Administrative and Budgetary Questions suggested that those costs should not

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exceed 12 to 14 per cent of the total programme costs of the participating organizations (A/2661).

7. The 12 per cent figure was adopted by the Economic and Social Council in its resolution 737 (XXVII) of 30 July 1959. Following the creation of the United Nations Development Programme (UNDP), a rate of 13 per cent was established in 1972 by its Governing Council, which revised it to 14 per cent in 1975. Several reviews of the methods of calculating support costs of UNDP programmes were carried out, including a cost measurement study carried out by the Consultative Committee on Administrative Questions of the Administrative Committee on Coordination. It was found that the cost measurement system was generally applicable to all extrabudgetary activities to which programme support was provided, as well as to estimating the costs of supporting the substantive activities of the United Nations, whether financed by the regular budget or by extrabudgetary sources. The study revealed that in the acceptance and administration of voluntary contributions, organizations of the United Nations system incurred support costs of approximately 22.5 per cent.

8. In its consideration in 1977 of services provided by the United Nations to activities funded from extrabudgetary resources, the Advisory Committee reported that the intent of regulations 7.2 (acceptance of voluntary contributions) and 13.1 (decisions of intergovernmental bodies with programme budget implications) of the Financial Regulations of the United Nations was to protect the Organization from unwittingly assuming additional financial liabilities (A/32/8/Add.9). Consistent with that objective, the Advisory Committee was of the view that the services in support of substantive activities financed by extrabudgetary funds should not be defrayed from the regular budget and that reimbursement based on a simple agreed formula should be sought from the funding agencies and trust funds, except in cases where the General Assembly has specified otherwise (A/32/8/Add.9). Pursuant to that view, the Advisory Committee supported the position of the Secretary-General that the reimbursement rate of 13 per cent recommended by the Governing Council of UNDP for agency support costs would be used as a basis for determining reimbursement from funding agencies as well as from trust funds (A/35/544, para. 9). The General Assembly, in its resolution 35/217 of 17 December 1980, took note of that report and approved the reimbursement formula embodied in decision 80/44 of 27 June 1980 of the Governing Council of UNDP.

9. That resolution of the General Assembly is the legislative basis for charging for programme support costs at the rate of 13 per cent of voluntary contributions. Subsequent to the adoption of the resolution, the Secretary-General, in March 1982, issued a bulletin on the establishment and management of trust funds (ST/SGB/188), an administrative instruction on general trust funds (ST/AI/284), an administrative instruction on technical cooperation trust funds (ST/AI/285) and an administrative instruction on programme support costs (ST/AI/286).

10. In his report on gratis personnel, the Secretary-General indicated the lack of consistency in the application of the Financial Regulations and Rules and policies when dealing with the acceptance of gratis personnel, whose number had grown significantly over the past few years. In some cases, resources from assessed budgets were being utilized to finance support services related to

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gratis personnel, while in other cases there had been a charge for administrative support costs, in accordance with the Financial Regulations and established policies.

11. The acceptance of voluntary contributions almost always involves additional financial liability for the Organization in terms of associated costs. In the case of voluntary contributions in the form of gratis personnel, those associated costs comprise, for instance, secretarial and administrative backstopping, equipment, supplies, office space, utilities, communications and legal and medical services, as well as costs for travel, daily subsistence allowance and participation in United Nations training and language programmes. While some Governments have expressed the view that, at a time of budgetary constraints, their contributions of personnel have been essential for the full implementation of the work of the Organization and their contribution of gratis personnel would more than offset the costs of support services resulting from the Secretariat's acceptance of the gratis personnel, other Governments have stressed that the associated costs related to acceptance of voluntary contributions should be the responsibility of the donors and should not be financed collectively by the entire membership through their assessed contributions.

12. The relationship between voluntary contributions and assessed budgets of the Organization has been the subject of much discussion by Member States over the years. Voluntary contributions accepted by the Secretary-General have primarily been for technical cooperation activities and for activities supplementary to those approved in the programme budget. More recently, however, particularly in the case of support to peacekeeping operations and the work of the international tribunals, gratis personnel have been accepted to help implement mandated activities that have been included in assessed budgets. In this connection, some Governments have argued that the acceptance of gratis personnel performing mandated activities would not, therefore, involve additional financial liability for the Organization since support costs have already been included in the budgets; this argument is valid only if the gratis personnel are to be considered a substitute for staff to be recruited against authorized posts for the implementation of the approved activities.

13. At the same time, the Secretary-General, in his report on gratis personnel, also pointed out that the General Assembly, in its resolution 50/214 of 23 December 1995, had reiterated the need for the Secretary-General to ensure that resources were strictly utilized for the purposes approved by the Assembly. This has been interpreted to mean that the resources approved by the Assembly must be used for staff and non-staff costs as indicated in the relevant budgets and that resources cannot be spent from assessed budgets, whether from the regular budget or the budgets of the international tribunals, peacekeeping operations or the peacekeeping support account, in order to utilize voluntary contributions provided by a few donor Governments.

14. Against this background, any change to the current policies and procedures on charging for administrative support costs related to the acceptance of voluntary contributions in the form of gratis personnel would require a General Assembly resolution, which would be dependent, first and foremost, on a decision

concerning the conditions under which the Secretary-General may accept gratis personnel in the first instance.

B. Methodology and level for the application of administrative or programme support costs

15. In the absence of specific guidelines for the acceptance of type II gratis personnel as a voluntary contribution, the administrative instruction on non-reimbursable loans of personnel services from sources external to the United Nations common system (ST/AI/231/Rev.1, of 23 January 1991) has served, in many cases, as the basis for the terms and conditions agreed between donor Governments and the United Nations for their voluntary contributions of type II gratis personnel.

16. That administrative instruction deals with the question of non-reimbursable loans from Governments providing expertise for technical cooperation projects. To defray the costs associated with the acceptance of those experts (type I gratis personnel), programme support costs are charged at the rate of 13 per cent, with an additional 1 per cent, if applicable, for compensation in the event of injury, illness or death attributable to the performance of services on behalf of the United Nations.

17. The charge for programme support costs for non-reimbursable loans is generally calculated on the basis of requirements for standard common services costs for a staff member at the P-3/P-4 level, as follows: maintenance and rental of premises, utilities and office supplies; maintenance of office automation equipment; telecommunications; secretarial and administrative support (generally calculated at five personnel to one General Service staff); and medical services. The annual recurring costs for those support services amount to approximately US\$ 17,900, approximately 18 per cent of the average cost of a P-3/P-4 staff member. As indicated above, the rate charged for those support costs is 13 per cent, in line with the level of reimbursement for agency support costs as agreed by the General Assembly in its resolution 35/217.

III. SUMMARY AND CONCLUSIONS

18. There has been a significant increase in the number of gratis personnel in recent years as administrative, budgetary and other financial constraints made it difficult to recruit staff in a planned and orderly manner. The acceptance of gratis personnel has nevertheless made it possible for the Secretary-General to execute recent mandates related to peacekeeping operations and the tribunals in a timely manner. It is the view of the Secretary-General that this situation should not be interpreted as a standard practice which would absolve Member States from meeting responsibilities under the Charter or from reaffirming the principle that Member States collectively should provide the necessary resources for the implementation of mandated programmes and activities by staff recruited in accordance with the Staff Regulations and Rules pursuant to Articles 100 and 101 of the Charter.

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19. Support costs arise in respect of the acceptance of gratis personnel; the difficulty among some Member States is how much, and where, to provide for those costs. The question of the applicability of administrative or programme support costs for type II gratis personnel has arisen because heretofore voluntary contributions have related primarily to supplementary or non-assessed activities, but in the context of type II gratis personnel, voluntary contributions are currently linked to activities that have been specified and approved by the General Assembly in the relevant assessed budgets, both regular and peacekeeping.

20. Unless otherwise decided by the General Assembly, the acceptance of voluntary contributions, including gratis personnel, is subject to compliance with the Financial Regulations and Rules. The methodology used in the application of administrative support costs charged for voluntary contributions, including gratis personnel, and the level of such costs, have their legislative basis in Assembly resolution 35/217. That resolution was followed by administrative instructions and bulletins that addressed the issue of voluntary contributions and the charging of programme support costs.

21. Any change in the established policies for acceptance of voluntary contributions and for the charging of administrative support costs related to the acceptance of voluntary contributions, including gratis personnel, would require a decision by the General Assembly, which would be dependent, first and foremost, on a resolution concerning the conditions under which the Secretary-General may accept gratis personnel in the first instance.



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REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS

Gratis personnel provided by Governments and other entities

Report of the Secretary-General

Addendum

1. This addendum is submitted in response to General Assembly decision 51/466 of 3 April 1997, by which the Secretary-General was requested, *inter alia*, to update the information presented in his report on gratis personnel provided by Governments and other entities (A/51/688 and Corr.1), including the nationality of gratis personnel, detailed descriptions of the functions entrusted to them and any change on the use of gratis personnel after 31 October 1996.
2. The other information requested by the General Assembly in that decision, on the methodology and level to be applied to administrative support costs, including their legislative basis, and a review of the proposed guidelines annexed to the report of the Secretary-General, appears in addenda 1 and 3, respectively.
3. As also requested by the General Assembly in its decision 51/466, the number of gratis personnel implementing mandated activities mentioned in paragraphs 24 to 40 of the report of the Secretary-General has not increased since the adoption of the decision.
4. For the purposes of deliberations on the question of gratis personnel in the context of budgets reviewed and approved by the General Assembly, this addendum excludes the gratis personnel previously listed for the United Nations Special Commission.

5. Between 31 October 1996 and 31 March 1997, there was a net reduction of 30 in the number of gratis personnel. While the number of type I gratis personnel decreased by 36 (from 238 to 202), the number of type II gratis personnel increased by six (from 328 to 334).

6. The number of type I gratis personnel by department/office is presented in annex I, and the number and nationality of type II gratis personnel by department/office are presented in annexes II and III, respectively. Similar information for the Department of Peacekeeping Operations is presented separately in annex IV, and annex V shows the distribution of gratis personnel in that Department.

7. Descriptions of the functions assigned to gratis personnel will be made available to the General Assembly during its deliberations.

ABBREVIATIONS USED IN THE ANNEXES

CHR	Centre for Human Rights
DAM	Department of Administration and Management
DDSMS	Department for Development Support and Management Services
DESIPA	Department for Economic and Social Information and Policy Analysis
DHA	Department of Humanitarian Affairs
DPA	Department of Political Affairs
DPCSD	Department for Policy Coordination and Sustainable Development
DPI	Department of Public Information
DPKO	Department of Peacekeeping Operations
ECA	Economic Commission for Africa
ECE	Economic Commission for Europe
ECLAC	Economic Commission for Latin America and the Caribbean
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
OIOS	Office of Internal Oversight Services
OLA	Office of Legal Affairs
UNAVEM	United Nations Angola Verification Mission
UNCHS	United Nations Centre for Human Settlements (Habitat)
UNCTAD	United Nations Conference on Trade and Development
UNDCP	United Nations International Drug Control Programme
UNEP	United Nations Environment Programme
UNOG	United Nations Office at Geneva
UNOV	United Nations Office at Vienna
UNTAES	United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium

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ANNEX I

Type I gratis personnel as at 31 March 1997

Department/ Office	Associate experts	Technical cooperation experts (non-reimbursable)	Interns	Total
DPA			5	5
DPKO			3	3
OLA			6	6
DPCSD	11	6	3	20
DESIPA			4	4
DDSMS			4	4
UNCTAD	4		1	5
UNEP	14			14
UNCHS (Habitat)	5			5
UNDCP	12	1	2	15
ECA	1			1
ESCAP		24		24
ECE	3		2	5
ECLAC	4	1	4	9
ESCWA		1		1
CHR	11		43	54
DHA			1	1
DPI			1	1
DAM	2		2	4
UNOG			1	1
UNOV	9	1	8	18
OIOS			1	1
Tribunal (Yugoslavia)			1	1
Total	76	34	92	202

ANNEX II

Type II gratis personnel as at 31 March 1997

Department/ Office	Gratis military officers	Other gratis personnel		Total
		Headquarters	Field	
DPA		1		1
DPKO	123	11	17	151
DPCSD		2		2
DESIPA		3		3
UNDCP		5		5
ESCWA		1		1
DHA		14	57	71
DAM	5	2		7
UNOV		7		7
OIOS		1		1
Tribunal (Yugoslavia)		51		51
Tribunal (Rwanda)		34		34
Total	128	132	74	334

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ANNEX III

Type II gratis personnel, by nationality, as at 31 March 1997

Department/Office	Nationality	Number		Total
		Headquarters	Field	
DPA	France	1		1
DPKO	See annex IV	134		
United Nations Logistics Base at Brindisi	Italy		2	
UNAVEM	New Zealand		1	
	Germany		5	
UNTAES	Belgium		2	
	France		1	
	Italy		1	
	Sweden		1	
	United States of America		4	
Total		134	17	151
DPCSD	Germany	1		
	Netherlands	1		
Total				2
DESIPA	France	1		
	Republic of Korea	2		
Total				3
UNDCP	Japan	1		
	Malaysia	1		
	United States of America	3		
Total				5
ESCWA	France	1		1
DHA	Argentina		1	
	Austria	2	5	
	Canada	1	1	
	China		1	

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Department/Office	Nationality	Number		Total
		Headquarters	Field	
	Denmark	2	4	
	Finland		5	
	France		2	
	Germany		4	
	Japan	2		
	Norway	5	6	
	Russian Federation		3	
	Sweden		4	
	Switzerland	1	12	
	United Kingdom of Great Britain and Northern Ireland		9	
	Zimbabwe	1		
Total		14	57	71
DAM	France	1		
	Ireland	1		
	Norway	1		
	Republic of Korea	1		
	Spain	1		
	United States of America	2		
Total				7
UNOV	Austria	2		
	France	2		
	Ghana	1		
	United States of America	1		
	Zimbabwe	1		
Total				7
OIOS	Germany	1		1
Tribunal (Yugoslavia)	Belgium	1		
	Denmark	3		

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Department/Office	Nationality	Number		Total
		Headquarters	Field	
	Finland	1		
	Italy	1		
	Netherlands	4		
	South Africa	1		
	Sweden	2		
	Switzerland	2		
	United Kingdom of Great Britain and Northern Ireland	4		
	United States of America	7		
	Non-governmental organizations	25		
Total				51
Tribunal (Rwanda)	Canada (financed by the Netherlands)	6		
	Denmark	2		
	Netherlands	15		
	Germany	1		
	Norway	1		
	Sweden	1		
	United Kingdom of Great Britain and Northern Ireland	1		
	United States of America	7		
	Total			34
Grand total				334

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ANNEX IV

Type II gratis personnel, by nationality, in
the Department of Peacekeeping Operations as
at 31 March 1997^a

Country	Number
Argentina	8
Australia	4
Austria	4
Belgium	5
Brazil	7
Canada	9
Czech Republic	2
Denmark	2
France	10
Germany	7
Ghana	1
Indonesia	1
Ireland	2
Israel	1
Italy	10
Malaysia	1
Namibia	2
Netherlands	8
New Zealand	1
Norway	6
Republic of Korea	1
Russian Federation	3
Singapore	3
South Africa	2
Spain	3

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Country	Number
Sweden	4
Switzerland	2
Turkey	3
Turkmenistan	1
United Kingdom of Great Britain and Northern Ireland	8
United States of America	13
Total	134

^a Comprising 123 military officers, 5 civilian police and 6 civilians.

ANNEX V

Department of Peacekeeping Operations Gratia Personnel
(as at 31 March 1997)

	Professional and above							General service		
	USG	ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Subtotal	
Office of the Under-Secretary-General										
Military Adviser's Office					1	2	4	1	8	5
Situation Centre						6	8		14	2
Policy and Analysis Unit										
Executive Office										
Office of the Assistant Secretary-General/Office of Operations										
Africa Division						1			1	
Asia and Middle East Division										
Europe and Latin America Division						2	1		3	
Office of the Assistant Secretary-General/Office of Planning and Support							1		1	
Planning Division					2	23	10		35	2
Subtotal					3	34	24	1	62	9
Field Administration and Logistics Division										
Office of the Director										
Financial Management and Support Services					1	5	13	3	22	2
Personnel Management and Support Services						1	2		3	
Logistics and Communication Section						11	19	6	36	
Subtotal					1	17	34	9	61	2
Total					4	51	58	10	123	11



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Gratis personnel provided by Governments and other entities

Report of the Secretary-General

Addendum

I. INTRODUCTION

1. This addendum is submitted in response to General Assembly decision 51/466 of 3 April 1997, by which the Secretary-General was requested, inter alia, to review the proposed guidelines annexed to his report on gratis personnel provided by Governments and other entities (A/51/688 and Corr.1) and to report thereon to the Assembly before 12 May 1997 for its consideration during the second part of its resumed fifty-first session.

2. The other information requested by the General Assembly in that decision, concerning the methodology and level to be applied to administrative support costs, including their legislative basis, and an update of the information provided in the Secretary-General's report, appears in addenda 1 and 2, respectively.

3. As is the case in addendum 2 to the report on updated information, and taking into account the fact that the United Nations Special Commission reports directly to the Security Council on all matters related to its activities and that its staff is governed by a special regime set out in the report of the Secretary-General to the Security Council on the implementation of paragraph 9 (b) (i) of Security Council resolution 687 (1991) (S/22508 of 18 April 1991), it is proposed that the Special Commission be excluded from the scope of the guidelines.

4. The requested review of the guidelines for acceptance of gratis personnel has been conducted. Its outcome is set out below.

II. REVIEW OF GUIDELINES

Guideline 1: Agreement with the United Nations. There shall be an agreement established between the United Nations and the donor Government or other entity for the acceptance of gratis personnel. Attached to that agreement will be an undertaking between the United Nations and the individual concerned.

5. The essential feature of gratis personnel is that they are directly and fully remunerated by their Government or other donor entity for services rendered to the United Nations. It is essential that this fact be disclosed and that the respective obligations of the United Nations, the donor entity and the individuals concerned be clearly specified.

6. As is the case at present, the individuals who will serve as gratis personnel under the guidelines will play no part in negotiating the basic agreement between the United Nations and the donor. They will serve under the terms agreed upon by the United Nations and the donor (as opposed to the conditions of service for United Nations staff, which are determined by the General Assembly and/or the International Civil Service Commission). There will be no individual offer and acceptance of contractual terms as to functions, level of remuneration or duration of service.

7. Under the guidelines, the essential duties and obligations that the United Nations will expect each individual brought in as gratis personnel to respect will be spelled out both in the agreement with the donor and in the individual undertaking signed by the gratis personnel.

Guideline 2: Selection procedure. Several candidates should be submitted by the donor to the substantive department or office. The programme manager should assess all candidates against the relevant criteria to ascertain that the best qualified candidate is selected. Those criteria would be consistent with the basic criteria applicable to corresponding categories of United Nations staff in terms of educational background and the length, relevance and quality of working experience. The Office of Human Resources Management would provide the appropriate guidelines to programme managers.

8. This section of the guidelines will be revised to ensure that Member States are informed of the needs that may be met by gratis personnel, as those needs are defined by the General Assembly after consideration of the recommendations of the Advisory Committee on Administrative and Budgetary Questions, as well as of the required qualifications.

9. As a means of ensuring that Member States are informed of the needs that may be met by gratis personnel, a questionnaire will be sent to all Member States in order to solicit their interest in providing gratis personnel who possess the types of expertise required, which will be identified by category in

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the questionnaire. This will allow departments to approach Member States that have indicated such an interest when the need arises in any area of expertise. Member States would also be asked to inform the Secretariat of any changes that may arise in their initial response to the questionnaire.

10. Given that at the outset, all Member States will have been approached to express their interest in providing gratis personnel with various types of expertise, it is proposed that, in cases where the Secretariat approached more than one Member State (according to the availability of expertise reflected in the completed questionnaires), only one qualified candidate would be requested from each Member State. In cases where only one Member State had indicated availability of the required expertise, a selection of candidates would be requested.

Guideline 3: Functions. Gratis personnel should not be used to fill posts or discharge functions normally authorized under the assessed regular programme budget, peacekeeping budgets or the peacekeeping support account, especially with respect to political, legal and administrative functions. Under no circumstances should they be allowed to supervise staff members in the exercise of their official duties; nor should they be assigned functions that are of a sensitive or confidential nature.

11. The definition of functions that may be performed by gratis personnel will be revised in the light of the results of the consideration by the Fifth Committee of the Advisory Committee's recommendations.

Guideline 4: Status. Gratis personnel, while performing functions for the Organization, would normally have the status of "experts on mission" for the purposes of the Convention on the Privileges and Immunities of the United Nations, except as otherwise provided in the agreement with the donor.

12. The status of experts on mission is defined in article VI, sections 22 and 23, of the Convention on the Privileges and Immunities of the United Nations. No change would appear to be necessary.

Guideline 5: Length of services. The agreement between the United Nations and the donor would specify the length of the services to be rendered. The term of the agreement would be one year but, under exceptional circumstances, may be extended for a maximum of one further year.

13. In the case of specialized functions for which no expertise exists in the Secretariat, it may be necessary for gratis personnel to serve for an initial period of up to one year with the possibility of further extensions; this should not be subject in all cases to an absolute limit of two years.

14. This section will be revised to reflect the decision of the General Assembly on the maximum allowable duration of services, which should be allowed to vary depending on the nature and estimated duration of the functions to be discharged.

Guideline 6: Remuneration, medical and life insurance, pension and other social security benefits. The agreement between the United Nations and the donor would place on the donor sole responsibility for payment of all expenses in connection with the services of gratis personnel, including salaries, allowances and benefits to which the individuals involved are entitled, and travel costs to and from the location where the gratis personnel will be based. The donor would also undertake to ensure that, during the entire period of service under the agreement, gratis personnel are covered by adequate medical and life insurance, as well as service-incurred insurance coverage for illness, disability or death.

15. No change would appear to be necessary.

Guideline 7: Leave entitlements. The agreement between the United Nations and the donor would specify that leave plans of the gratis personnel should be communicated in advance to the recipient offices for appropriate authorization in order to allow for proper planning of the work to be performed.

16. In order to ensure effective management of individual leave entitlements, leave plans must be communicated in advance by the gratis personnel to their supervisors. For the same reason, this clause will be revised to indicate that leave may be taken subject to the exigencies of service, as determined by the department or programme manager.

Guideline 8: Performance of services and applicable standards of conduct. The agreement between the United Nations and the donor would place on the donor the duty to ensure that gratis personnel comply with the following obligations:

(a) Gratis personnel shall perform their functions under the authority and in full compliance with the instructions of [appropriate official in the department or office concerned] and any person acting on his or her behalf;

(b) Gratis personnel shall undertake to respect the impartiality and independence of [Secretariat and/or relevant organ/body] and shall neither seek nor accept instructions regarding the services performed under the agreement from any Government or from any authority external to the Organization;

(c) Gratis personnel shall refrain from any conduct which would adversely reflect on the United Nations [and/or relevant organ/body] and shall not engage in any activity which is incompatible with the aims and objectives of the United Nations;

(d) Gratis personnel, although not staff members, shall comply with all applicable rules, regulations, instructions, procedures or directives;

(e) Gratis personnel shall exercise the utmost discretion in all matters relating to their functions and shall not communicate at any time without the authorization of the [appropriate high official in the

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department or office concerned] to the media or to any institution, person, Government or other external authority any information that has not been made public, and which has become known to them by reason of their association with the [department/office]. They shall not use any such information without the written authorization of [appropriate high official in the department/office concerned] and in any event, such information shall not be used for personal gain. These obligations do not lapse upon expiration of this agreement.

All the above duties and obligations would also be spelled out in the undertaking to be signed by each individual provided as gratis personnel.

17. No change would appear to be necessary. As indicated in the last paragraph of this guideline, the duties and obligations of gratis personnel are to be spelled out both in the agreement with the donor and in the individual undertaking to be signed by the gratis personnel.

Guideline 9: Accountability. The agreement between the United Nations and the donor would provide for each party the right to terminate the agreement upon one month's written notice to the other party. Should the conduct or performance of the gratis personnel be such as to require earlier termination of their services, the matter would be handled under a "settlement of disputes" clause providing that any dispute, controversy or claim arising out of, or relating to, the agreement shall be settled by negotiation or other mutually agreed mode of settlement.

18. As suggested by several Member States, the performance of gratis personnel discharging functions for a substantial period of time should be appraised in line with the Performance Appraisal System. The guidelines will be amended to that end.

19. The agreement with the donor would give the United Nations the right to terminate the agreement, and the services of any particular individual, upon one month's written notice to the other party to the agreement. This clause could be used in case of unsatisfactory service or any other problem which, in the view of the Secretary-General, would require termination of service before the term specified in the agreement with the donor.

20. It is proposed that a specific provision be included in the agreement to allow for immediate cessation of functions when gratis personnel have acted in a manner which, under the Staff Regulations and Rules, would be seen as serious misconduct. Any serious breach of the duties and obligations of the gratis personnel that would justify separation before the expiration of the normal notice period of one month would be reported to the donor. If there were no agreement on an immediate separation, the matter might have to be resolved under a "settlement of disputes" clause. At a minimum, the Secretary-General would always have the authority to bar access to the premises.

21. The United Nations could make a claim against the donor for financial loss resulting from gross negligence, including wilful violation or reckless disregard of applicable rules and policies. If no agreement could be reached

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with the donor, the claim would be handled under the "settlement of disputes" clause.

Guideline 10: Third-party claims. Any claim made against the United Nations arising out of, or relating to, the agreement, including actions or omissions of gratis personnel while providing services to the United Nations, would be governed by the "settlement of disputes" clause mentioned above.

22. No change would appear to be necessary.

Guideline 11: Programme support costs. The agreement would specify the obligations of the donor Government or entity to reimburse the Organization at the standard rate of 13 per cent for programme support costs related to gratis personnel, pursuant to the Financial Regulations and Rules. An additional 1 per cent shall be charged, if applicable, for compensation to gratis personnel in the event of injury, illness or death attributable to the performance of services on behalf of the United Nations. Such a standard rate could be applied directly to the donor or to a relevant trust fund established for the implementation of activities to be carried out by the gratis personnel, on the condition that the donor has also made to that trust fund a voluntary contribution that could be used for such purposes.

23. The guidelines will be revised in the light of the results of the consideration by the Fifth Committee of the Advisory Committee's recommendations.
